

COMPARISON TO FEDERAL STUDENT LOANS

Variable Interest Rates (effective July1, 2001 through June30, 2002)

LOAN PROGRAM	SUBSIDIZED FEDERAL STAFFORD LOAN	UNSUBSIDIZED FEDERAL STAFFORD LOAN	FEDERAL PLUS LOAN	MI-LOAN Creditworthy Loan Program	MI-LOAN Credit Ready Loan Program
Borrower	Dependent or Independent Student	Dependent or Independent Student	Parent or Legal Guardian	Student or Parent	Student or Parent
Fee	Origination Fee: 3%	Origination Fee: 3%	Origination Fee: 3%	Reserve Fee: 3.5% - Variable 4.0% - Fixed	Reserve Fee: 4.0% - Fixed
Credit Evaluation	No default on previous student loans.	No default on previous student loans.	Yes	<ul style="list-style-type: none"> Meet Creditworthy credit standards. A debt-to-income ratio. Two years of continuous employment. No default on previous student loans. 	<ul style="list-style-type: none"> Only eligible at a Credit Ready Eligible School. Review of previous credit history An applicant's income and expenses and employment history are not considered. Cosigner not required. No default on previous student loans.
Interest Rates	5.39% in school 5.99% during repayment Variable and cannot exceed 8.25%	5.39% in school 5.99% during repayment Variable and cannot exceed 8.25%	6.79%-variable and cannot exceed 9.0%	Fixed - 7.50% Variable 7.51% (Adjusted annually on July 1 st)	Fixed - 8.50%
Annual Loan Limits	Year 1: \$2,625 Year 2: \$3,500 Years 3-5: \$5,500 Independent Professional/Graduate: \$8,500	Years 1-2: \$4,000 Years 3-5: \$5,500 Independent Professional/Graduate: \$10,000 *	Cost of attendance minus financial aid awarded.	<ul style="list-style-type: none"> Minimum loan amount of \$500. Maximum - Cost of attendance minus financial aid awarded. 	<ul style="list-style-type: none"> Minimum loan amount of \$500. Maximum - Cost of attendance minus financial aid awarded.
Aggregate Loan Maximums	Dependent Undergrad: \$23,000 Undergrad/Grad Combined: \$65,500	Dependent Undergrad: \$46,000 Undergrad/Grad Combined: \$138,000	No maximum amount.	\$125,000	\$75,000
Funds Sent To	School	School	School	Student/School or EFT	Student/School or EFT
Number of Disbursements	Multiple	Multiple	Multiple	Single	Single
Deferments	Yes	Yes	Yes	No	No
Forbearance	Yes	Yes	Yes	<ul style="list-style-type: none"> Principal only, requiring monthly interest payments. Principal and interest. Up to 12 months per request. Maximum of 5 years of forbearance, request on the application. 	<ul style="list-style-type: none"> Principal only, requiring monthly interest payments. Principal and interest. Up to 12 months per request. Maximum of 5 years of forbearance, request on the application.
Repayment Length	10 Years 25 Years, if eligible	10 Years 25 Years, if eligible	10 years	Up to a maximum of 25 Years	Up to a maximum of 25 Years

Eligibility for Loan Programs	<ul style="list-style-type: none"> • Must be enrolled in an eligible program at an eligible institution. • Must maintain at least half-time student status during the loan period. • Must be a U.S. citizen, U.S. national or eligible noncitizen. • Additional requirements mandated by law. 	<ul style="list-style-type: none"> • Must be enrolled in an eligible program at an eligible institution. • Must maintain at least half-time student status during the loan period. • Must be a U.S. citizen, U.S. national or eligible noncitizen. • Additional requirements mandated by law. 	<ul style="list-style-type: none"> • Parent cannot have adverse credit history. • Student must be enrolled in an eligible program at an eligible institution. • Student must maintain at least half-time enrollment status during the loan period. • Parent and student must be a U.S. citizen, U.S. national, or eligible non-citizen. • Additional requirements mandated by law. 	<ul style="list-style-type: none"> • Must be enrolled or accepted for enrollment at a Michigan degree-granting college or university and, if appropriate, be making satisfactory academic progress toward a degree or certification. • Must be 18 years old or an emancipated minor. • Must be a U.S. citizen or permanent resident. • Can be less than half-time. • Release of cosigner option available. 	<ul style="list-style-type: none"> • Must be enrolled or accepted for enrollment at a Michigan degree-granting college or university and, if appropriate, be making satisfactory academic progress toward a degree or certification. • Must be 18 years old or an emancipated minor. • Must be a U.S. citizen or permanent resident. • Can be less than half-time. • Must be Credit Ready Eligible School.
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* Federal Unsubsidized Stafford loans may be obtained by independent students or by dependent students whose parents are not eligible for Federal PLUS loans. These loans may be as much as \$4000 for years 1-2; \$5000 for years 3-5; and \$10,000 for graduate and professional school. Maximum lifetime aggregates are \$23,000 for dependent undergraduates; \$46,000 for independent undergraduates; and \$138,000 for graduate or professional students.

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